

Admiral Turner

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

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FOR : ZBIG BRZEZINSKI
FROM : AL MCDONALD *AM*
SUBJECT : Impressions on Iran

On Wednesday I spoke at length with a former colleague who returned to the United States from Iran only about a month ago. He is Rostam Pirasteh, an Iranian who spent a number of years in U.S. Universities and businesses here. He returned to Iran in 1975 as the head of the International Bank of Iran and later served as the Minister of Finance and Economic Affairs in the Bakhtiar Government. Pirasteh was then imprisoned, staying in jail for about four months. Afterwards, he spent several months observing and trying to understand developments in Iran before escaping to this country to start life over again.*

*In 1966 Pirasteh left Yale where he received MS, MIS and PhD degrees. He then spent 1966-69 with McKinsey, leaving that firm to join the faculty of Columbia's Graduate School of Business Administration. He later joined the Chase Manhattan Bank, resigning as a Senior Vice President in early 1975 to go to Iran and establish the IBI. IBI was a full service commercial bank that was a publicly-owned corporation (with Chase holding some 35 percent ownership) until it was nationalized by the Revolutionary Government of Iran. When Pirasteh left it to join the Bakhtiar Government, it had become one of Iran's largest banks with a balance sheet valued at over \$1 billion.

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NSC REVIEW COMPLETED

AYATOLLAH KHOMEINI

Khomeini is a particular study that Pirasteh has observed for some time. He says Khomeini is not crazy but is an extremely logical fanatic who is pursuing his own course without regard for the rest of the world. Here are some of his major observations.

Khomeini the Person. Khomeini can best be described as a "seventh to eighth century man," like the Islamic leader Ali, the successor to Mohammed, after whom Khomeini patterns himself. Khomeini is an authority only on the Koran, strictly speaking on the Shiite interpretation of the Koran, and on the history of the Shiite sect itself.

Khomeini is not a scholar. He is not generally recognized to be knowledgeable on any secular subject. He is not a reader or a thinker, does not follow the press or show any real interest in the actions of others. He detests everything about the modern world. He speaks a "very layman Farsi" as his only real language.* Cultivated Iranians readily note that his expressions are very common and simple, reflecting little thought and negligible cultural exposure or knowledge outside of his religious speciality.

Khomeini's Operating Pattern. The Iranian Government is operating entirely by random. There is no underlying program, no plan and no anticipation of events. Khomeini rules by talking, in fact, rambling out loud on whatever topic happens to come up. There is no staff work for his comments, no analysis and no coherent concept or central plan into which his thoughts fit. The Government cannot provide a figure or fact on GNP, unemployment, or anything else. Pirasteh said this was not intended as a malicious judgment, but simply a statement of fact that they "just do not know."

After Khomeini speaks, there is no discussion and no debate on the issues. His words are considered absolute as they are initially uttered. Not only is there no discussion, there are also no questions for greater understanding or comprehension of what he really intended. Apparently, as he rambles on, Khomeini becomes carried away with his thoughts and they evolve from one idea to the next, very much as one could observe in the three consecutive television interviews. After he has spoken, Pirasteh believes there is no way Khomeini will turn back on his word.

Khomeini's Motivation. Khomeini has no patriotism and no particular interest in Iran as a country. Islam is his only allegiance and even then specifically to his sect and its interpretation of the Koran and the Shiite role. His aim is simple: to eradicate all modern values in Islamic societies. All of his actions are motivated toward this aim.

*Of course he reads Arabic but speaks it very poorly.

He is also deeply concerned about the poor and downtrodden and about his own personal standing as a religious leader and prophet.

Khomeini has no interest in international law, no concern over international public opinion, no particular concern over life or death. He could not care less about his own person and might well welcome the opportunity to become a martyr for the Shiite cause. He is not bothered by death of "infidels and heathens," and consequently, would not be concerned to see the hostages die just as he was not bothered by the capital punishments handed out by his followers in the recent series of Iranian trials.

He would be delighted to see the United States move diligently to deport Iranians to his country. Most of them would be put immediately in jail. In Pirasteh's view about 95 percent of the adult Iranians here are opposed to Khomeini with the split among Iranian students being about 50-50. He attributes the relatively high level of Khomeini support among Iranian students here to ignorance of the actual conditions and prospects in Iran.

Khomeini's Logic. From Khomeini's viewpoint, anyone who helped the Shah (or for that matter the United States) is:

- a) against his cause and his religion
- b) condemned to death as a "corruption of the earth"

From his point of view they already have enough "evidence" of help to the Shah that the hostages and Americans in general are already condemned.

Their criteria for evidence are almost non-existent. Even an indirect letter mentioning the Shah's name will suffice as appropriate for conviction of direct support and "spying." Therefore, there is little prospect that in any trial situation legitimate evidence would be pursued or considered essential to the results. To the contrary, even the lightest item would be considered adequate and would be paraded in a public relations rather than a legal format.

Since Khomeini considers the hostages guilty in their own right as individuals as well as Americans, he does not even consider the return of the Shah to be an exchange. For him this is not a quid pro quo issue. Rather, he would probably interpret any such exchange of the Shah for hostages as a set of circumstances under which God would permit him to forgive the hostages by getting his hands on a greater evil.

As for the prospect of reducing tensions by releasing the hostages, this is not of great concern. To the contrary, it is likely that Khomeini feels that Iran is less vulnerable for military action, retaliation or other dramatic moves as

long as they hold the hostages. Consequently, Pirasteh sees no motivation for them to release the hostages, even suggesting that this might become a semi-permanent situation. Khomeini figures that as long as he has our people, the hands of the U.S. President are tied.

Khomeini's Followers. Whether they wear religious garb or regular street clothes, Khomeini's followers essentially act and think alike if they remain in his inner circle. Anyone showing the slightest interest in compromise or flexibility in interpreting his views are quickly pushed aside. This was substantiated by the dismissal of Bani-sadr, whose replacement, Ghotbzadeh, is considered to be strictly a public relations mouthpiece for the Ayatollah with no individual latitude for influencing decisions.

Khomeini is a master of crowd psychology, particularly among the poor since this is the group to which he appeals. Although his themes make little sense, he does stir them up dramatically with his public statements on public TV and radio. This began through the Farsi broadcasts by BBC into Iran while the Ayatollah was still in Paris and has continued regularly since his arrival there. His broadcasts are also moving beyond the borders of Iran and to the Islamic world. Everywhere there seems to be great appeal.

In his appeal to the masses, they do not question why he says what he does, but simply accept the fact that he says these things with which they can identify. Apparently, his ramblings have great mass appeal since all of the desperate in society can envision themselves in the top spots. At the same time because of his lack of concern over non-religious aspects of life, Khomeini could change his domestic policies easily. It would not concern him to shift them about in a fairly volatile fashion as long as they would do nothing to hurt Islam and his view of his faith.

For the short term, he is also "being good" at least superficially to the masses. There is no Shah. There are no bosses or managers. There is no discipline. Nobody works or is required to work, and for the moment there is sufficient food.

Khomeini believes he has a special calling to the poor and it is for this reason that he has particularly singled out the blacks in the United States, believing they would readily follow him and lead a countermovement to the President's position in the United States. Since no one will discuss with him the truth and since he does not read or concern himself with reports from other countries, it is highly probable that he is deluded into believing that his program is a success.

In Pirasteh's judgment, the Iranian population is not aware of Khomeini's dedication to eliminating modern values. They have gotten a taste of the good life and of material luxuries and will certainly be reluctant to give them up as time goes on. Pirasteh suspects that the views of a majority of the Iranian population could be shifted within a period of one month with control over public TV and radio. To do this, however, one could not work personally against Khomeini but would need to target another scapegoat for the domestic difficulties.

OTHER IRANIAN OBSERVATIONS

As for other forces within Iran, Pirasteh is of the opinion that the Khomeini's time in power will be quite limited. He believes that economic forces (and a continuing disintegration of the country's chaotic governmental apparatus) will soon bring him down, even with high oil prices. If oil income is reduced or cut off, then the time period in which this would happen would probably be a matter of months.

Khomeini is already having trouble with oil workers and the leftists groups. In Pirasteh's view these are not Russian affiliated groups but are socialists and Marxists.

How fast Khomeini falls may heavily depend on the United States. Pirasteh believes it was a mistake for the United States to have been so easy on Khomeini following the revolution, encouraging some Americans to continue in Iran and continuing to provide technological help and spare parts.

Pirasteh believes that a cut-off of oil revenue would make the country desperate. He estimates that their present available assets range up to about \$3-1/2-\$4 billion and that these would fall at the rate of some \$700 million per month without a significant new oil income. At the time they would hit the 1-1/2 billion mark, in his judgment, the country would be in desperate shape.

He rates the Iranian military as "not worth a damn." He says their officers are all scared for their lives and are essentially staying out of sight and are reluctant to exercise discipline. He says that the Iranian armed forces were never good even at their peak under the Shah; now they are a group without the ability to organize and operate themselves.

PROSPECTS FOR SOLUTION

As indicated above, Pirasteh feels that the situation with the hostages could continue indefinitely. He believes there is no possibility for a reconciliation with the United States as long as Khomeini is in power and believes that nothing but a hard U.S. line should be followed.

He thinks that the redefinition of the scene would have little impact on the situation. For example, the Shah's departure might only make the students and Khomeini madder. The constitutional vote is not in question so Khomeini is not waiting for that date to pass. The expression of world opinion by the Security Council will have no meaning.

In struggling to think of pressures that Khomeini might understand, there are only two that he considered to be important. One would be the development of a direct appeal from Islamic religious leaders, and the second would be strong expressions of concern for the hostages by the world's poor (e.g., including blacks and Hispanics in the United States) and third world leaders in other countries (e.g., the African and poor Asian nations).

Islamic Religious Pressure. Khomeini is not the ranking religious leader in Iran. The Ayatollah Sheariat-madari is higher than Khomeini and at least two others are his equals (Galpayegani and Khonsari). Apparently these four occasionally meet, sit in the four corners of a room and talk about some of the biggest decisions facing them.

Also, Ayatollah Najaffi in Iraq apparently outranks Khomeini and is a respected Islamic spokesman whose views impress Khomeini.

A movement that would reflect the expressions of concern by Islamic leaders, emphasizing that holding of the hostages is against the teachings of the Koran and is harmful to Islam might have some weight. If a proclamation were signed by four or five of the major Sunni leaders and by Islamic scholars from Moslem universities, this would be far more valuable to our cause than anything governments could say or support the Security Council could muster.

Opposition from the Poor. Again, if Khomeini could sense that his actions were not helping the poor, but were in fact incurring their opposition, this might also influence his thinking since he identifies with the cause of the poor. For example, Pirasteh suggested that a few demonstrations by blacks and Mexican farm workers in U.S. mosques in support of the hostages would be very impressive acts to Khomeini. A demonstration by the Black Moslems in their mosques would also hit home in this area. Pirasteh said we should also not forget the third world developing countries since Khomeini would be much more impressed by their statements of support than from the industrial affluent nations.

In sum, he feels that the only way Khomeini might, through his own logic, become more flexible is by sensing himself increasingly isolated on religious and humanistic grounds.

Pirasteh said the United States certainly cannot give in to him in any way. Any show of weakness would only be used to accentuate and escalate their demands. At the same time, there is no price that Khomeini considers too high to pay if it helps achieve his Islamic goals. Consequently, we are clearly facing a myopic religious fanatic whose interests, motivations and thinking are all completely inconsistent with the parameters of modern diplomacy or governmental activities.

Religious reasons might also be used as excuses for obtaining better treatment for the hostages. Pirasteh said that Khomeini might be receptive to an appeal, regardless of how farfetched, that a "shave and a bath are necessary prerequisites for certain religious sacraments." Consequently, he suggested that appeals related to expressions of religious beliefs for the hostages might be a route for somewhat better treatment for them.

Pirasteh cautioned that Khomeini should always be treated with respect. Any personal disrespect to him would be viewed as disrespect for his religion and would only tend to intensify his dedication for absolute achievement of his aims and "condemnation of the heathen."

cc: Hamilton Jordan